

Cultivating Santa Fe's Future Economy

Target Industry Report

September 2003



Table of Contents

PART ONE: TARGET INDUSTRIES

Introduction.....3

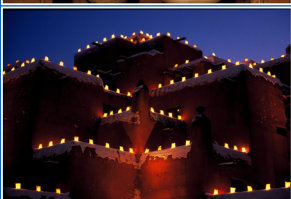
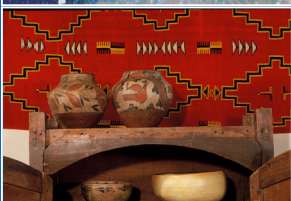
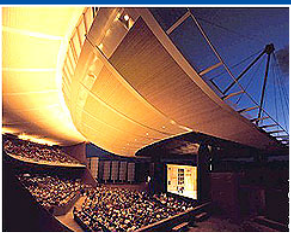
Methodology.....6

What is Economic Development?.....9

Survey Results.....12

Primary Target Industries.....22

Secondary Target Industries.....43





Part One: Target Industries

This report contains recommended target industries for the City of Santa Fe. It is the second of three reports aimed at setting the direction of the City's economic development activities over the next five years.

After completing a thorough economic and demographic overview, AngelouEconomics has identified seven major industries on which Santa Fe should focus its economic development efforts. These industries are: **Arts and Culture, Design, Hospitality, Conservation Technologies, Software Development, Publishing and New Media, and Outdoor Gear and Apparel**. These target industries have been identified because they offer the potential of renewing the local economy and help Santa Fe's families find new opportunities.

This report contains a description of these industries, including their workforce requirements, trends, and expected future growth. Within these industries, we have suggested specific niche sectors and types of business operations that are best matched to the city's strengths.

Santa Fe's current economy shows signs of approaching danger. The target industries in this report have been selected because they are best suited for helping the city overcome impending economic crisis. Three economic signs indicate that it Santa Fe's economy is at risk of long-term deterioration unless the city takes strong, targeted action today:

1. First, **Santa Fe lacks business diversity**, making the city overly tied to the fluctuations in the tourism and government sectors. Although housing prices continue to rise – driven up by demand from incoming second homeowners – the low average wages in the tourism and state government sectors keeps Santa Fe incomes around 20% lower than the national average. The gap between average income and housing prices continues to widen, making it difficult for Santa Fe families to afford to live in the city.



The lack of business diversity, combined with a tight labor market, makes it difficult for Santa Feans to change jobs. It deters skilled workers from accepting jobs in Santa Fe. Without a strong base of businesses outside of tourism and government, talented individuals see few opportunities within the region to switch companies if their first job is not satisfactory. Spouses and significant others hesitate to move to Santa Fe because it is difficult for them to find employment. Without a more diverse business base, Santa Fe will struggle to recruit young people and skilled professionals – the fuel that energizes a healthy tax base and allows the City to provide the quality services that maintain Santa Fe's unique quality of life.

2. Second, **Santa Fe is showing signs of urban sprawl.** While the County's population growth is high (36% since 1990), the City of Santa Fe has experienced extremely low growth (9% since 1990). Employment within the city limits is falling, but Santa Fe County employment levels have increased 38% from 1990 to 2000, and more than 80% when excluding the city of Santa Fe. This is a telltale sign of urban sprawl, as people and businesses move further outside of the City to avoid high costs and find land. Over the long term, sprawl will greatly impact quality of life and pull tax revenue out of the city.
3. Third, **Santa Fe's population is aging** with a rapidly shrinking population of individuals under 45 years old. Nearly 5,000 people are enrolled in college in Santa Fe. Despite this, Santa Fe has a below average number of residents (28%) in the 25-44 age group, suggesting a significant out flux of college graduates. Technology centers typically have one-third of their population in this critical age group.

An aging population makes Santa Fe less attractive to potential business recruits who are looking for a young, energetic workforce from which to draw. Younger workers are also more likely to be entrepreneurial, starting their own new

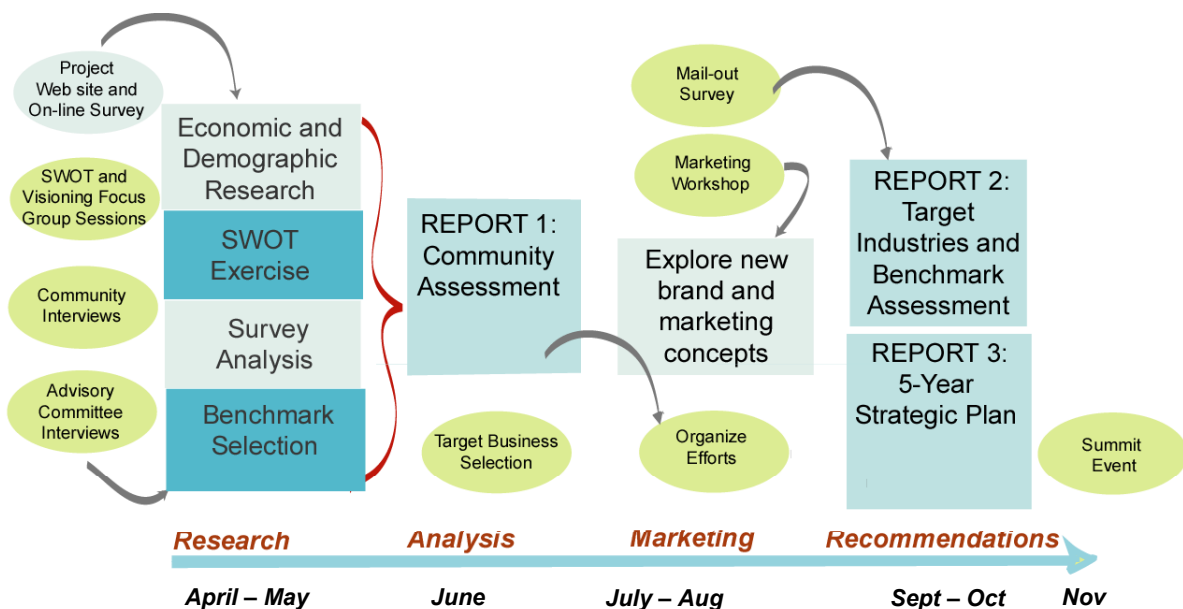


companies. A growing base of retirees changes the character of the city and impacts city finances.

The target industries we recommend in this report are selected to help Santa Fe reverse the economic threats described above. They will help diversify the city's job base. They include businesses that already have a presence in Santa Fe but may need additional attention from the city to grow. They also include businesses comprised of a variety of jobs – from entry level to executive – giving residents the change to improve their skills and move up in their careers. The businesses we are recommending are small, entrepreneurial, and are low water consumers – fitting well within Santa Fe's city limits and keeping the urban core dense and healthy – reducing sprawl. The target industries hire individuals from all age ranges. In particular, they contain jobs for young professionals, helping the city retain and recruit young people. The skill sets required by each target overlap with one another, opening up career possibilities for Santa Fe residents.

This is the second of three reports. The final report, the *Santa Fe Economic Cultivation Strategy*, will contain specific recommendations aimed at increasing the Santa Fe's potential for growing businesses within its target industries and making overall improvements in the community.

Project Timeline





Methodology

Choosing the target industries for Santa Fe is the culmination of a thorough process of quantitative analysis and public input.

1. **Public input.** This procedure began with interviewing and surveying Santa Fe's residents and businesses. During this process, more than 300 people were involved in individual interviews or focus groups. A survey was posted on the project Web site, www.CultivateSantaFe.com, and mailed out to more than 30,000 households in Santa Fe and the county. We received 1,352 survey responses.

The input we received through hundreds of focus groups, interviews, and surveys provided us with a sense of what Santa Fe's political leaders, businesses, and residents desire from economic development and which types of businesses would and would not be welcome in the community. We were also made aware of the limitations placed on businesses in Santa Fe, including the severe water shortage and the high cost of doing business. Understanding these limitations helped us begin to eliminate certain types of businesses from the list of possible target industries.

2. **Quantitative Analysis.** While public input was being gathered, AE began analysis for the *Community Assessment Report*. This report contains data and qualitative information that forms a snapshot of Santa Fe's economy. It highlights the area's strengths and challenges as a business location. The factors examined in depth included: Santa Fe's business climate and current industry composition, entrepreneurship, workforce development and education, infrastructure, and economic development efforts.

The *Community Assessment* report helped refine the target industry list even more. It showed that Santa Fe's strengths are most in tune with the needs of small to medium sized employers (fewer than 250 employees), that the community is in a prime position to foster



entrepreneurs, and that the labor forces of target industries must employ a wide range of skill levels – providing entry level individuals the opportunity to learn new skills and advance within the business. These issues factored into the selection of target industries.

3. Final Qualitative Factors. After reviewing all relevant data and public input, the list of target industries was further refined based on AngelouEconomics' professional insight and several important qualitative factors:

- How likely is it that Santa Fe will be able to recruit and expand businesses in the target industry?
- Does the target industry complement Santa Fe's image and values?
- Does the target industry improve the quality of life and provide new opportunities to the citizens of Santa Fe?
- Do businesses in the target industry pay higher than average wages? Do they offer upward mobility to employees? Will they help Santa Feans afford to live in Santa Fe and the nearby area?

Once finalized, the target industries become the thrust of Santa Fe's economic development and community development activities. The entire community should unite to support them, through targeted workforce development and educational programs, to adjustments in local and state business policies, to improvements to Santa Fe's quality of life amenities to appeal to target industry workers. The target industries should also guide the City's marketing efforts – what level of marketing effort should be used for external promotion versus internal communication? Under what brand should Santa Fe market? What strengths are to be touted?

Contained within this report are Santa Fe's Target Industries. After completing reviews of economic and demographic trends and assessing the strengths and weaknesses of each, target industries have been identified as having high growth potential in Santa Fe, New Mexico. These primary industries are:



- Arts and Culture
- Design
- Hospitality
- Conservation Technologies
- Software Development
- Publishing and New Media
- Outdoor Gear and Apparel

These are by no means the only industries that will locate into Santa Fe, but by conducting a targeted economic development strategy, the region will build an employment base that will inspire similar businesses – suppliers, customers, and businesses using similar technologies and workers – to expand in Santa Fe.

The industries were selected not only because of their potential to bring strong economic impacts to Santa Fe, but also because they represent a good mix for short, mid, and long-term economic cultivation. The recommendations will also offer additional opportunities for Santa Fe's existing workforce and help to increase wages across all levels of the economy. Many of these industries will aid in that transition while moving the economy into high growth areas.



What is Economic Development?

The City of Santa Fe and AngelouEconomics' goal is that this strategy results in activities that bridge the gap between income and cost of living, create job opportunities for all Santa Feans, and to diversify the economy.

How economic development is defined differs among communities. For many years, cities' economic development activities were focused on recruiting new employers. Recently, the focus of economic development in many cities has shifted, placing a stronger emphasis on community development activities that improve local workforce, infrastructure, and business climate to help local companies grow and new ones to emerge. This definition is more appropriate for Santa Fe.

The term "economic cultivation" has been chosen to describe Santa Fe's economic development practices. **The city's focus should be more on creating a climate that is ripe for entrepreneurship and small business success than recruiting large companies.** The ultimate goal of economic cultivation in Santa Fe is to achieve long-term economic health. A healthy economy benefits all residents and businesses in Santa Fe, from the business community to not-for-profit organizations to the arts and to the native populations.

Identifying target industries is an important task not only for communities aiming to recruit new employers, but also for communities focusing economic development around entrepreneurship and small business growth. "Target industries" are the audience for economic development activities. Their needs have to be understood, and community development initiatives tailored to meet their needs.

Prior to finalizing Santa Fe's target industries, AE ensured that the improvements required to support all recommended targets will benefit the community at large. For example, growing small businesses in the conservation technologies industry will require the community to fully embrace the notion of becoming one of the most environmentally conscious cities in the U.S. – to adopt energy and water conservation in the construction of new homes and office buildings, and



ensure that renewable sources of energy are being relied upon at all possible times. Embracing energy conservation and clean energy at the community level not only improves the quality of life for all Santa Feans, but also creates a market for those products. Small, local businesses can emerge to supply the local market. Workforce training programs can be created which provide educational and job opportunities for locals. Other types of businesses demand those skill sets. Business incubators, incentives, and capital funding are made available to support conservation technology companies, which are accessible by businesses in other fields, providing a boost to Santa Fe's overall business climate.

Santa Fe truly is the "city different," and it is appropriate that economic development be defined in a unique fashion. The city's best approach will lie in a combination of entrepreneurial focus and in allowing the creative aspects of the community to play an integral role in economic development. A strong focus on artistic and cultural activities is one important way that "economic development" assumes a unique definition in Santa Fe.

As a cornerstone of Santa Fe's economy, the first target industry recommended in this report, **Arts and Culture**, should be an active part of future economic development activities and continue to be part of the City's team. Organizations and individual artists in the field should be considered as economic development prospects in themselves. Helping arts and culture continue to thrive in Santa Fe should be a priority for the City's leaders. The City should not take the industry for granted. Many other cities have begun aggressive campaigns to recruit art organizations and integrate culture into their marketing campaigns (examples from the benchmarking communities are provided at the end of this report.) City leaders should follow the activities of these other communities, glean good ideas from them and ensuring that Santa Fe maintains its competitive edge in this arena.

Despite the intensive research, thoughtful planning, and energetic contribution of the community in this Strategic Plan, revived economic health in Santa Fe cannot be accomplished until the community agrees to a single definition of "economic development." **The City must engage in aggressive internal marketing to communicate that economic development for Santa Fe is not referring to the recruitment of large, polluting businesses.** Rather,



economic development is about improving the community so that entrepreneurs and small local businesses can thrive, and a healthy economy is preserved long-term.

The definition of economic development is, therefore, the first step towards successfully implementing this strategy. The second step is to motivate local leaders to act in unison to improve the health of the local economy. The forthcoming *Economic Cultivation Strategy* will outline exactly what actions local leaders need to agree to and implement to achieve long-term economic prosperity.



Survey Results

AngelouEconomics believes our strategic planning process must capture sizeable input from a large and diverse number of people and organizations throughout the region. AE launched the online survey in March on the project Web site www.CultivateSantaFe.com and received a good number of responses (187). The City of Santa Fe recognized the value of this public participation and requested that AngelouEconomics expand its survey to a mail format that would be made available to all Santa Fe citizens. To ensure the maximum level of participation, the City of Santa Fe mailed a survey to every utility customer in the city (30,000 households in total) and asked citizens to either mail or deliver their responses.

To meet this goal, the City contracted with Research and Polling (R&P), an Albuquerque market research firm, to tabulate the results. In total, 1,155 mailed surveys were collected in addition to the 187 surveys conducted online.

AE and the City of Santa Fe have followed standard survey methodologies and desire to make the results as transparent as possible. While 1,342 surveys were collected, some demographic segments of the population were not fully represented by the responses received. This problem is typical for any type of survey, whether Internet-based, telephone, or mailers. Commonly known as “bias error”, this problem occurs for many reasons: distribution method (not everyone can be contacted successfully), or respondent self-selection (not everyone can be convinced to respond). Telephone surveys have similar and sometimes worse bias error (how many of us actually answer telemarketing calls during dinner?).

Bias error is corrected by using statistical analysis known as “weighting”. Weighting remedies this problem by giving greater “weight” to demographic segments that are under-represented so that the sample population is closer to Census data. For example, if low-income individuals represent 20% of a population according to the Census, but only 10% of survey responses, “weighting” helps to bring this under-response closer to Census levels.



Weighted Profile of Respondents

	Weighted Santa Fe Survey	City Census 2000
Education		
High school diploma or less	32%	38%
Undergraduate degree	33%	21%
Graduate degree and above	31%	15%
Other	4%	26%
Ethnicity		
White	54%	52%
Hispanic	41%	48%
Other	4%	
Age		
18-25	6%	9%
25-44	36%	28%
45-64	39%	29%
65+	19%	14%
Income		
\$0-\$25,000	18%	31%
\$25,001-\$50,000	44%	28%
\$50,001-\$75,000	16%	18%
\$75,001+	21%	23%

Other notable data on respondents:

30% of respondents commute out of Santa Fe for work.

70% of respondents have lived in Santa Fe for 10 or more years (10% for 3 years or less).

Without this survey, AngelouEconomics' understanding of the community's economic development goals would be limited to public focus groups and city leadership. We view this survey to be a successful effort, giving the project team a much clearer idea of what the people of Santa Fe feel is most important and most suitable for the city's economic development efforts.



Factors of Satisfaction

The survey asked respondents to rate specific areas that would affect the location decision of people and companies. AE presented 29 separate “factors” and asked respondents to rate their “Satisfaction” and “Importance” on a scale of 1 to 5:

- How important are the following factors to you? (1 = not important; 5 = very important)
- How well does Santa Fe satisfy your needs? (1 = not well; 5 = very well)

The following table represents the results of these questions:

Ratings of Location Factors			
<i>Ranked by Highest Satisfaction</i>			
	<u>Average of All Responses</u>		<u>Satisfaction above</u>
	<u>Satisfaction</u>	<u>Importance</u>	<u>Importance</u>
Climate	4.3	4.5	-4%
Arts/Culture	4.1	4.0	2%
Community Colleges	3.8	4.3	-12%
Historic Preservation	3.8	4.0	-5%
Highway access	3.7	3.8	-3%
Tourism Promotion	3.7	3.4	9%
Image of city for living	3.6	4.0	-10%
Drivetime to work	3.5	3.9	-10%
Entertainment/recreation	3.4	4.2	-19%
Cell phone service	3.3	3.3	0%
Family environment	3.2	4.4	-27%
High Speed Internet	3.1	3.5	-11%
Equal Opportunity	3.0	4.3	-30%
Air Service	3.0	3.3	-9%
Good Health Care	2.9	4.7	-38%
Low Crime	2.9	4.6	-37%
4-Year Colleges	2.8	4.2	-33%
Small Business Resources	2.8	3.9	-28%
K-12 Education	2.7	4.7	-43%
Job Availability	2.7	4.2	-36%
Workforce Training Programs	2.6	4.2	-38%
Strong Business Growth	2.6	3.7	-30%
Location for High Tech	2.6	3.5	-26%
Effective Govt Leadership	2.5	4.5	-44%
Career Advancement Opportunities	2.5	4.1	-39%
Good Value Housing	2.3	4.3	-47%
Growth Management	2.3	4.3	-47%
High Paying Jobs	2.2	4.1	-46%
Cost of Living	2.1	4.6	-54%
N=1,200 to 1,300 on average; not all respondents rated each factor			

High Satisfaction
↓
Average Satisfaction
↓
Low Satisfaction



By comparing how respondents rank “Satisfaction” compared to “Importance”, we get a clear understanding of which factors require immediate attention and which factors should be considered “wish list” (but not critical to businesses and residents staying in Santa Fe).

Respondents are very satisfied with the community’s lifestyle amenities and value on quality. The following top factors received an average of at least 4 out of 5:

- Climate
- Arts / Culture
- Community college
- Historic Preservation
- Highway access
- Tourism Promotion
- Image for City as a Place to Live

But when asked which factors they are least satisfied with, and how important these factors are, respondents selected factors that are cost-related, job-related, or related to government leadership. The following should be considered top concerns of respondents:

- Cost of Living
- High Paying Jobs
- Good Value Housing
- Growth Management
- Effective Government Leadership
- Career Advancement Opportunities
- Workforce Training Programs
- Strong Business Growth

Clearly, Santa Fe citizens are extremely happy with lifestyle issues, but are concerned about economic issues that affect their families.



Employer Expansion Plans

Part of the survey was geared towards employers to determine their future plans and view on the Santa Fe economy. When asked, “What are your expansion plans,” over half of all business respondents said that they plan to expand in revenue and profitability, and thirty percent or higher plan to expand in all areas.

	“Yes” to Expand
Employment	42%
Revenue	67%
Profitability	59%
Supplier Purchases	38%
Equipment Investment	44%
Real estate/office/mftg space	31%

The majority of the companies that responded to the surveys are from small companies: **seventy-seven percent have 10 or fewer employees.**

Within the survey, businesses made the following comments:

- “We must have a serious effort at becoming competitive for new economic opportunity in the future or face continued economic decline.”
- “Need to emphasize diverse cultures.”
- “We need to support our local businesses or Santa Fe will end up as a giant strip mall filled with Walmarts.”
- “The City needs to promote the arts”
- “I would like to see the business community care about creating ‘a good place to live’ and contributing to better education and human services.”

When AE asked the open-ended question, “**Are there any improvements you would like to see in Santa Fe,**” the respondents who commented offered the following areas as their top priority for advancements:

- Resolve water situation – 231
- Better/ managed / controlled growth plan / economic development – 231
- Better education system – 216
- Roads / public transportation - 138



- Affordable housing – 137
- Responsible / improved / better government – 128
- Environment - 113
- Low cost of living – 58
- Job opportunities – 48
- Improved Healthcare – 46

Santa Fe's economic development partners and City officials should take note of these responses. One-third of companies responding to the survey stated that they have plans to expand their facilities in the next 1-2 years. Will those business expansions occur in Santa Fe or will companies expand elsewhere if certain problems are not resolved? The City is faced with a tremendous opportunity to retain these employers and ensure that they are kept satisfied with the community. In turn, these same employers provided the above "wish list" of issues that they would like to see improved. City officials can use this list to help them prioritize community development activities.

It is important to note that this question was open-ended: respondents verbally said their concerns, and the results were grouped after the fact.

What is most remarkable about the business responses is that their priorities are closely aligned with the priorities of residents. Residents desire more jobs and wage growth; businesses desire an improved economic climate. Both businesses and residents place a high value on quality of life issues, and both see culture as a defining element of the Santa Fe lifestyle. Both residents and businesses desire for the water issue to be resolved and for stronger leadership on planning issues. Since most of Santa Fe's businesses are smaller, independently owned establishments run by local citizens, they share the same values as residents. Both companies and residents are in Santa Fe because they choose to be. The strong similarities in responses should allow the city to reach a consensus and move forward on economic development issues.



Desire for Business Expansion

Santa Fe citizens recognize that their economy needs special types of growth, and the right industries for their environment. When AE and R&P asked, “**what type of businesses would you like to see expand in Santa Fe**”, the following business categories were their top choice.

Top Five:

- High-tech
- Family owned
- Recreation / entertainment
- Low Impact businesses
- Non-polluting

Santa Fe employers say...

- “Businesses that ‘start’ from here, from the ground up, from the people up...entrepreneurs”
- “We want a different look than other cities”
- “Possibly those to do with fostering smarter growth.”
- “Good corporate citizens”
- “Art experiences rather than product”

Santa Fe residents say...

- “They should have sustainable jobs with excellent wages - as long as an education component is built into those wages.”
- “This is a creative, intellectual town; bring the companies that utilize those types of employees.”
- “Environmentally friendly industry, industries which take advantage of our cultural diversity - translations, movie production, theater, dance, fabric design, etc.”
- “We're a natural choice for knowledge workers like myself (a writer) and software developers.”

These comments were taken into consideration when recommending the target industries described in this report.



As the city of Santa Fe and AngelouEconomics develop their economic development plan for the city's business future, they base their recommendations off of the strengths within the community. When AE and R&P asked, "**what are Santa Fe's strengths when it comes to expanding businesses and recruiting families,**" respondents listed the following as their top strengths.

- Weather and Climate
- Multi-Cultural
- Scenery / beauty
- Small town feeling
- Recreational amenities



All of the top ten strengths in the city of Santa Fe according to the survey respondents are directly related to the quality of life and to the wonderful environment. Only three of the top twenty strengths relate to Santa Fe's business environment: large labor pool ranked 17th, tourism related business ranked 19th, and available land ranked 20th, all had only 2 percent of respondents rating them as strengths. This reinforces the need for business marketing and increased involvement by the business community.



Marketing Tourism

Survey respondents were asked to give one word they would use to describe or sell tourism for Santa Fe. The following descriptors are used in the marketing plan, to help define a brand for the city that portrays the city's uniqueness and makes it shine brighter than its competitors.

The following are the top ten descriptors for tourism from Santa Fe survey respondents:

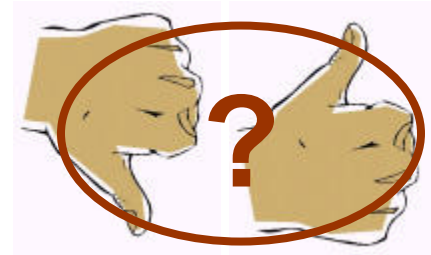
Cultural	Enchanting
Unique	Expensive
Beautiful	Interesting
Historical	Climate
Art	Good



Marketing Business

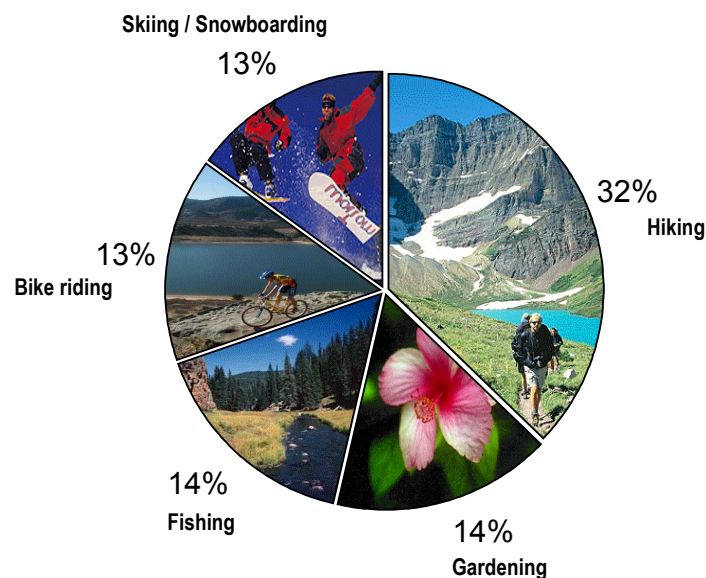
AngelouEconomics also asked citizens to give one word they would use to sell and describe Santa Fe's business market. There is a fifty/fifty ratio between negative and positive comments about the business climate in Santa Fe in the top ten. Only 1 percent of respondents claimed that the business climate was good, competitive, friendly, profitable, and growing. The top ten descriptors given by Santa Fe residents are:

Challenging	Potential
Expensive	Opportunity
Tough	Diversity
Climate	Bad
Poor	Spectrum



Recreational Hobbies

The survey asked respondents to list their recreational hobbies, and the results reflect the climate and natural assets of Santa Fe. The recreational activities Santa Fe residents enjoy the most according to the survey are hiking, gardening, fishing, bike riding, and skiing / snowboarding. Surprisingly, art/drawing/painting, and camping are much less popular than these top five activities.





Outcome of Survey

From the online survey and the R&P survey results, AE has determined that the citizens of Santa Fe's top concerns are economic in nature (costs, jobs, business, growth/resources). Businesses express very similar concerns on the economy.

All are very satisfied with the Santa Fe lifestyle but show strong concerns for economic issues. People see a future where high tech companies, low impact, and smaller, locally owned businesses create new job opportunities and wages. Residents even seem to intuitively understand that Santa Fe is moving (or should move) toward a more knowledge-based economy.

The factor with the highest disparity between importance and satisfaction is the cost of living. Santa Feans desire stronger leadership from their government, and also more assistance with workforce training programs. Employers have expressed a desire to expand, which would create more jobs, deliver more tax dollars, and spend more in the local economy. All respondents desire resolution for the water issue and a better education system. *These concerns bring to the forefront the very issues that sparked this planning process in the first place.*

A major concern of AngelouEconomics is whether or not the City of Santa Fe can accommodate the needs of the many companies in the area saying that they are planning to expand. Little doubt exists that businesses desire to create jobs, add additional space, and spend more money in the local economy if they can find a way to do it. Without a clear economic development vision and policy on the part of the City, few businesses can be expected to realize this potential within the city limits of Santa Fe. If the City cannot accommodate its business community, new opportunities will find a home in other parts of the county, state, or even U.S. By turning away its successful companies, the city is turning away its entrepreneurs, its citizen-owned startups, and ultimately the families that depend on these businesses' earning power.

Let us be clear: the citizens and business community desire greater prosperity: in their careers, in their wages, in their customers, and in their lifestyles. An economic development effort is one way to bring these groups' many goals under one heading, with community consensus, and with benefits to all Santa Feans and their families. Through this planning process, we are exploring new ways to address the concerns of Santa Fe citizens and businesses, while still protecting and nurturing the Santa Fe quality of life and its culture.



Primary Target Industries

AngelouEconomics has identified seven primary target industries and three secondary target industries for the City of Santa Fe. When selecting these industries, we looked for qualities that the City of Santa Fe will be able to support in their business growth and activities. Targeting these specific sectors gives the city a clear focus to economic development efforts and marketing. The industries we pursue typically serve a customer base largely outside the region.

Many of the target industries already have a home in Santa Fe and embody the unique characteristics of the city. AE is not suggesting the following industries are the only industries that are appropriate for Santa Fe; others will prosper as well. AE is suggesting that these industries will guide the city and give the community a starting line of industries to learn about and to aim their marketing spotlight. The targets AE is indicating are a combination of three main areas:

- Community vision
- Community assets (or constraints)
- Community effort



As AE looked into these areas, six factors of concern, strength, desire, and need developed into the criteria for selecting Santa Fe's target industries. These criteria are:

- Strong Santa Fe culture is both an economic engine and attractor of creative people
- Limitations on land and water prevent large scale facilities or heavy manufacturing
- Lack of airport and good direct air service prevents some industries
- Small to medium sized companies in the service and design fields are a good fit
- Community's desire for high tech suggests more research-oriented business
- Non-polluting (air, visual, land use)



Of this criteria, creative culture became the foundation of our target selection. In fact, **culture is the driving force in the city's economy and future:**

- Culture defines who we are
- Culture is why people move here and visit
- Culture is what people think when they hear "Santa Fe"

The criteria for the target businesses were cross-referenced with the strengths and challenges in the region. This process helps to eliminate an industry that qualifies in all the criteria, but causes a challenge, or to consider an industry that meets few criteria, but will add to its strengths.

Review of Top Strengths

Excellent Quality of Life
Located at the foot of the Rockies
High income, well educated residents
Outdoor recreational amenities
Existing high growth, low impact industries
Talented workforce, high intellectual capital
Albuquerque – airport, sports, universities
Creative, culture-based community

Review of Current Challenges

Water shortage
Historical lack of venture funding
Affordable housing
K-12 Education
High Cost of Living
Dominance by retail/tourism and government
Demographic shift, losing younger population

The following target industries were selected for Santa Fe:

Primary Targets

Arts & Culture
Design
Hospitality
Conservation Technologies
Software Development
Publishing and New Media
Outdoor Gear and Apparel

Secondary Targets

Health Care
Retiree Services
Foods and Beverages



As described in the methodology section of this report, the target industries share many similar characteristics:

Common Traits of Recommended Targets

- Creative culture-based
- Minimal water demands
- Do not require large sites or buildings
- Employ creative people
- Many tie into existing tourism economy
- Offer opportunities to retain young workforce
- Are entrepreneurial in nature
- Offer diversity of wage levels
- Complement current target clusters / existing strengths



Target #1: Arts and Culture

Arts and Culture encompasses the artistic community, cultural institutions, and culturally influenced products.

While industry growth statistics are difficult to quantify, *Americans for the Arts* estimates the nonprofit arts industry contributed \$53 billion to the economy in 2002, a 45% growth rate since 1992. When including commercial artistic ventures industry revenues are estimated to surpass \$70 billion. Industry growth rates are forecasted to be 20-70% over the next decade depending on the industry sub sector. The long-term trends of increasing disposable income, higher educational attainment levels, and general aging of the population all combine to increase demand for the arts.

Arts and Culture

Cluster Definition

- 32711 Ceramics
- 3272 Glass
- 333210 Woodworking
- 339911 Jewelry Manufacturing
- 61161 Fine Arts Schools
- 71112 Dance Companies
- 7113 Performing Arts
- 71151 Independent Artists
- 81341 Civic Organizations (non-profits)
- 81399 Other Membership Organizations

Industry Profile

- 1.4 million employed - US

Wage Rates

- \$19 an hour in the US

Location Criteria

- Artistic community
- High Quality of Life
- Young Demographic

Santa Fe's cultural leaders are currently conducting a study that is expected to reveal much about the economic impact of the arts on the local economy. The study will be undertaken in early 2004.

Why Santa Fe?

Santa Fe has an embedded artistic community and offers strong local support for the arts. The city benefits from widespread brand recognition, both artistic and cultural. Santa Fe also profits from the city's established artistic "infrastructure." The College of Santa Fe, the Santa Fe Art Institute, and Santa Fe Community College all offer postgraduate or continuing education in a wide range of artistic disciplines. Commercially, the city's many galleries, museum shops, art markets, and Santa Fe flea market offer artists an outlet to sell their arts.



Workforce

The arts and culture industry employs individuals from across many spectrums of the economy, including traditional artists such as painters and sculptors, the various employees of the museums and civic organizations, as well as jewelry designers and manufacturers. To a greater degree than many industries, necessary skill sets vary widely according to occupation and few require college degrees. In addition, these industries employ a large number of administrative and office workers to support them.

Selected Arts and Culture Occupations

source: Occupational Employment Statistics, Bureau of Labor Statistics 2001

Occupation	Employment Estimate		Wage Estimate	
	US Employment	% of Total	Mean Hourly	Mean Annual
Total	1,508,790	100%	\$19.12	\$39,770
Fine Artists	9,710	1%	\$18.43	\$38,330
Museums and Arts Galleries	82,990	6%	\$14.06	\$29,240
Other Membership Organizations	81,550	5%	\$14.52	\$30,200
Dance Studios	33,630	2%	\$14.58	\$30,330
Jewelry Manufacturing	44,380	3%	\$14.24	\$29,620
Commerical Art and Photography	317,220	21%	\$16.50	\$34,310
Civic and Cultural Organizations	449,930	30%	\$10.84	\$22,550
Management Occupations	212,360	14%	\$30.88	\$70,800
Administrative Support Occupations	196,410	13%	\$12.04	\$27,230
Sales and Related Occupations	42,158	3%	\$9.63	\$28,920

Nationally the Bureau of Labor Statistics forecasts a steady increase in industry employment through 2010, ranging from 8% to 27% depending on the occupation. The New Mexico Department of Labor forecasts that the arts will grow 17% during that same time.



Target #2: Design

The design industry encompasses the technology side of the artistic community, the film industry, and computer aided design. With both artistic and commercial appeal, occupations can be found in a broad spectrum of industries. AngelouEconomics recommends the fast growing and high paying targets of computer-aided animation, graphic design, and film production. Film is included in the design industry due to the increasingly technical nature of motion picture production and film's close ties to the creative aspects of the design industry.

Digital design continues to work its way into all fabrics of American life. As more of our day-to-day activities involve computers, designers keep these systems efficient and user-friendly. Most people are familiar with occupations such as computer animation and graphic design; though, many overlook more industrial uses of design. Commercial and industrial designers develop and design manufacturing products, from cars to biomedical lab equipment to missiles.

With a large software development cluster and growing film industry, Santa Fe is a natural fit for the design industry. National architectural and specialized design firms could also become a larger part of the regional economy. The design industry borrows heavily from traditional arts and has tended to cluster around artistic communities, which bodes well for Santa Fe. Design, due to the diversity of occupations within the cluster, is difficult to track over time. Regardless, the industry has shown remarkable growth over the past ten years and is expected to become evermore important in years going forward.

Design

NAICS Definition

- 323 Printing & Support Activities
- 511 Publishing
- 5121 Motion Picture & Video
- 5413 Architectural, Engineering, & Related Svcs
- 5414 Specialized Design Services
- 5418 Advertising & Related Services
- 541430 Graphic Design

Industry Employment

- 2.7 million employed - US

Wage Rates

- \$21 an hour in the US

Location Criteria

- Large pool of skilled designers
- Technical design training programs
- Cultural & lifestyle amenities important
- Quality office space



Why Santa Fe?

Santa Fe is already considered one of the artistic and cultural capitals of the Southwest, making the design industry a natural fit. The industry further complements other industry targets such as publishing and tourism. Santa Fe also benefits from an established software development industry, whose workforce closely correlates with design. Santa Fe has a tremendous asset in its community by way of the city's artistic and educational infrastructure. The College of Santa Fe's Moving Image Arts Department gives students access to full range of film production tools and guidance of how to get started. Such a program is a high impact opportunity and will lead to a critical mass of knowledge and skills in the region. The Santa Fe Community College has a design program that will complement the industry well, including programs in graphic arts and imaging technologies. Santa Fe's film industry will further profit from the New Mexico's direct investment in film production. The New Mexico state investment council has \$22 million to use at its discretion in financing film production, with a cap of \$7.5 million allowed per project.

Workforce

Design firms tend to be small in size, consisting mainly of high-skilled workers and few support staff. Roughly one third of all designers are self-employed. Thus, the entrepreneurial network of a community is vital to the success of local design firms.

The workforce spans such varied industries as motion pictures and industrial machinery. These jobs generally require advanced training using design software to artistic techniques.



According to the Bureau of Labor Statistics, nationally, design occupations are expected to grow by 21% to 35% over the next ten years. Design applications tied to software will be the fastest growing segment, as software engineers in any industry will be the quickest growing career option in the country. The New Mexico Department of Labor forecasts a 22% increase in designers in the Santa Fe Metropolitan Statistical Area (MSA) through 2010.

Selected Design Occupations

source: Occupational Employment Statistics, Bureau of Labor Statistics 2001

Occupation	US Employment	Wage Estimate	
		Mean Hourly	Mean Annual
Art Directors	20,880	\$31.52	\$65,570
Multi-Media Artists and Animators	30,530	\$22.45	\$46,700
Commercial and Industrial Designers	33,600	\$25.20	\$52,410
Graphic Designers	136,470	\$19.07	\$39,670
Set and Exhibit Designers	7,840	\$17.29	\$35,960
Photographers	61,250	\$13.43	\$27,940
Film Management	23,370	\$28.36	\$70,450
Film Administrative Support	59,980	\$11.71	\$26,830
Film Production	5,850	\$12.36	\$30,240
Film Construction/Maintenance	7,200	\$13.74	\$31,510
Film and Video Editors	13,750	\$20.20	\$42,010



Target #3: Conservation Technologies

The conservation technologies industry encompasses firms pursuing advanced research and development related to lowering natural resource consumption. Firms within the industry are involved with both clean energy production and natural resource preservation.

The conservation technology industry represents one of the strongest growing and sustainable sectors of the new global economy, with growth rates commensurate with or greater than those for the information economy. Major international corporations and world leaders agreed at the 2000 World Economic

Forum (Davos, Switzerland) that sustainable development is the most significant policy issue facing corporations worldwide and represents the greatest opportunity for growth. Conservation technology creates jobs in direct manufacturing of related technologies (wind turbines, photovoltaics, biogas plants, etc.), research and development, system design, installation and maintenance, education and training, energy auditing and management, and consulting.

Conservation technologies and markets are becoming commercially viable. This transition is attributable to a confluence of historical events, political will, social demand, environmental concern, and technological maturity. Support for conservation was accelerating prior to the terrorist attacks on September 11, 2001; subsequent concern for energy security and self-sufficiency made interest in clean energy all the more acute.

What is driving conservation?

- Technological maturity and declining costs
- Growing demand for power in the developed and developing worlds

Conservation Technologies

NAICS Definition

- 334413 Semiconductor related Manufacturing
- 3355999 Electrical Equipment Manufacturing
- 541380 Testing Laboratories
- 5417 Scientific Research and Development

Industry Profile

- \$43 billion in revenues
- 40k employed - US

Location Criteria

- Educated workforce
- Access to capital
- Research incubator
- High tech clusterr



- Concern for global climate change and environmental sustainability
- Recognition of external costs of current energy policies
- Concern for energy security and oil dependence

Why Santa Fe?

Santa Fe is in a unique position by both having immediate, real conservation needs as well as a progressive-minded citizenry. Santa Fe's talented workforce and area research facilities will correlate well with firms in the conservation industry. The industry contains ample opportunities for entrepreneurs. The Santa Fe conservation industry also benefits from its proximity to Sandia National Labs, which is charged with developing conservation technologies. The worldwide market for clean energy is projected to be \$600 billion by 2020, a large market for the early adopters.

Workforce

As with many of Santa Fe's target industries, the workforce spans many skill levels, including industrial machinists, engineers, and technicians. These jobs generally require 2-year training or college degrees. As the industry matures, many conservation industry jobs may shift from the research stage into those markets in which the technologies are applied, such as architecture and design, production operations, and construction.

Selected Conservation Technology Occupations

source: Occupational Employment Statistics, Bureau of Labor Statistics 2001

Occupation	US Employment	Wage Estimate	
		Mean Hourly	Mean Annual
Engineering Managers	214,760	\$42.74	\$88,900
Civil Engineers	205,370	\$28.09	\$61,000
Mechanical Engineers	204,310	\$29.54	\$63,530
Electrical and Electronics Drafters	39,300	\$19.27	\$43,200
Electro-Mechanical Technicians	42,130	\$18.34	\$39,890
Geoscientists	23,030	\$28.01	\$64,120
Sales and Related Occupations	13,418,240	\$13.91	\$28,920
Office and Administrative Support	22,798,590	\$13.09	\$27,230
Maintenance, and Repair Occupations	5,323,070	\$15.92	\$34,960
Production Occupations	11,270,210	\$11.81	\$27,600
Materials Scientists	8,360	\$30.17	\$64,850



According to the Bureau of Labor Statistics, these occupations are expected to grow by 5% to 23% through 2010. Electronic drafters will be the fastest growing segment, at 23% with degreed engineers in general growing more slowly. The New Mexico Department of Labor projects these occupations will grow at similar rates in Santa Fe.



Target #4: Software Development

The software development industry is comprised of computer programming services, prepackaged software, and information retrieval services. Computer integrated system design is closely related to the software industry and will be included in the software sector for the purpose of this study.

World packaged software sales, including traditional application tools, operating systems, and data management, should increase 7% annually through 2006 according to Dataquest. In addition to packaged software, computer-aided manufacturing, Internet, and networking application software sales should increase approximately 12% annually over the next 3 years.

And while software development is increasingly being outsourced to the developing world, Santa Fe's software firms will be less affected than the industry. The majority of work sent abroad is relatively remedial while Santa Fe software firms work in more specialized fields. The industry exists in Santa Fe due to the city's close proximity to government labs, area research facilities, and quality workforce, and as such is less affected by cheap labor rates abroad.

Many start-ups begin as home-based businesses but eventually require office space to accommodate new employees. Business incubators, university affiliations, and far-sighted developers can fill this short-term demand with flexible financing, modified maintenance schedules, and expansion options. These arrangements may not be immediately profitable, but they do offer opportunities for long-term partnership and mutual growth. Santa Fe has a great start with the city's business incubator, which has assisted many start-ups in the software field.

Software Development

NAICS Definition

- 511210 Software Publishers
- 541511 Computer Programming Services
- 541512 Computer Systems Design Services
- 541519 Computer Related Services

Industry Employment

- \$74 billion in revenues
- 2.8 million employed - US

Wage Rates

- \$29 an hour in the US

Location Criteria

- Educated workforce
- Access to capital
- Research incubator



Why Santa Fe?

Santa Fe benefits from a vibrant software cluster, top-notch area research facilities, and an expanding venture capital base. The city has become one of the centers of the worldwide bioinformatics industry, as well as a leader in complexity research. Federal research facilities at Los Alamos, Sandia, and Kirtland AFB are pioneers in many of the world's most advanced software development fields. These research facilities have an enormous impact on the area economically and also bring thousands of world-renowned scientists to the area. The Santa Fe Business Incubator is an invaluable asset and offers support and low cost office space to companies. Santa Fe is also home to the National Center for Genome Resources, a leader in bioinformatics research, and the Santa Fe Institute is a pioneer in the burgeoning complexity systems field. Santa Fe will also profit from the New Mexico State Investment Council's venture capital program, which has earmarked up to \$200 million to be invested in state technology companies.

Workforce

Software development is spread throughout many industries including many high tech fields, financial services, and healthcare. These jobs are highly skilled and require college level training and education for the most part. The pay is well above average, and most firms offer significant on-the-job training.

SOC 80 - Software Occupations

source: Occupational Employment Statistics, Bureau of Labor Statistics 2001

Occupation	Employment Estimate		Vage Estimate	
	US Employment	% of Total	Mean Hourly	Mean Annual
TOTAL	2,825,870	100.00%	\$29.02	\$60,350
Computer Programmers	501,550	17.75%	\$30.23	\$62,890
Computer Software Engineers, App.	361,690	12.80%	\$34.79	\$72,370
Computer Software Engineers, other	261,520	9.25%	\$35.81	\$74,490
Computer Support Specialists	493,240	17.45%	\$20.16	\$41,920
Computer Systems Analysts	448,270	15.86%	\$30.63	\$63,710
Database Administrators	104,250	3.69%	\$28.08	\$58,420
Network Systems Administrators	227,840	8.06%	\$27.14	\$56,440
Network Systems Analysts	126,060	4.46%	\$28.99	\$60,300
Actuaries	13,210	0.47%	\$35.92	\$74,720
Mathematicians	3,080	0.11%	\$35.21	\$73,230
Operations Research Analysts	57,520	2.04%	\$28.49	\$59,270
Statisticians	17,040	0.60%	\$27.44	\$57,080
Mathematical Technicians	1,720	0.06%	\$21.35	\$44,410





According to the Bureau of Labor Statistics, software occupations are expected to grow by 21% to 98% through 2010. Santa Fe is expected to see a 43% jump in total computer and mathematical employment with computer support specialists, at 71%, and network systems analysts, at 67%.



Target #5: Hospitality

The hospitality industry includes hotels, bed & breakfasts, restaurants, entertainment options and general tourism activities that take place within an economy. Hospitality includes activities for both tourists and community residents.

Nationally, the hospitality industry suffered following the terrorist attacks of September 11. People traveled less and began to eat more meals at home. While this is still partly true, tourism is once again picking up, and early figures for 2003 are well above those of the last two years.

Restaurant dining has become both a large part of the American way of life and a large part of the American economy. According to the National Restaurant Association, the restaurant industry is the nation's largest employer outside of government. Not only does the industry provide work for about 9 percent of the workforce, but also one-third of all adults at some time have worked in the industry. Studies show that the average American spends 43 percent of his/her food budget in restaurants, eating out an average of 4.2 times per week, and half of the population visits a restaurant on their birthdays. In 2003 alone, the industry is expected to grow by 4.5 percent and account for 4 percent of U.S. GDP.

Hospitality, especially the tourism segment of the

Hospitality

NAICS Definition

- 71 Arts, Entertainment, Recreation
- 72 Accommodation & Food Services
- 481-483 Passenger Transportation
- 487 Scenic & Sightseeing Transportation
- 53211 Car Rentals
- 5615 Travel Bureaus & Reservation Svcs

Industry Profile

- \$630 billion in revenues
- 9.5 million employed - US

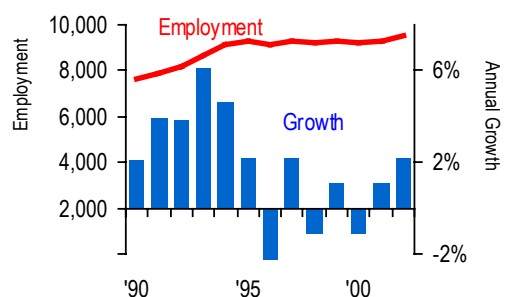
Wage Rates

- \$10 an hour in the US

Location Criteria

- Established tourism destination
- Entrepreneur network
- Seasonal workers
- High aesthetics

Leisure and Hospitality Employment, 1990-2002
Santa Fe MSA

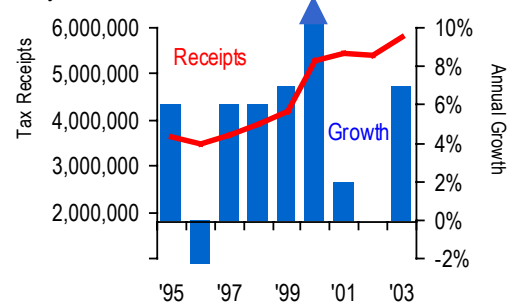


Source: Bureau of Labor Statistics



industry, is an important part of Santa Fe's economy. Due to the part-time and seasonal nature of the work, jobs tend to be very entry-level and pay low salaries, but a strong hospitality industry remains an important driver of economic development through taxes and increased visibility. Over 11 million people visited New Mexico in 2002, providing an economic impact of \$3.7 billion. The New Mexico Department of Tourism estimates that 54,000 jobs and \$500 million in taxes are a direct result of tourism. Santa Fe benefits from nearly 10,000 direct industry jobs and \$6 million from the city's lodging tax.

Lodgers Tax Receipts
City of Santa Fe



Santa Fe, which accounts for approximately 3% of New Mexico's population, is responsible for 22% of the state's lodging tax receipts, a figure that has increased in recent years. The Tourism Department estimates that tourism had an economic impact of \$390 million on Santa Fe in 2000.

Why Santa Fe?

Santa Fe is an established tourist destination with the infrastructure to support high quality tourists. The city benefits from its close proximity to Albuquerque and the city's international airport. Santa Fe is a leading tourist destination for many of the industry's fastest growing sub markets such as cultural and historical tourism, and nature related tourism. The new civic center (plans are currently being finalized) will further cement the Santa Fe brand and lead to an increase in conventions. Tourism is a high impact industry that will increase the city's exposure, enhance its image, and provide a significant amount of new taxes for the city.

Workforce

The hospitality industry traditionally pays very low wages; most positions require few skills, are often part-time, and have a readily available labor pool. It is estimated that one in three adults in American has worked in the hospitality industry at some time. The day-to-day workers within the hospitality industry are entry-level and low-wage. There is no real need to devote resources to building this segment of the labor force. However, as the industry matures, upper-level management becomes a high-skilled position and training is required for advancement. For



this reason, many universities and schools throughout the country provide programs in hospitality or similar fields. These programs provide an avenue of advancement for many local citizens. Master chefs are becoming local celebrities, and many are products of top-notch culinary schools. Hospitality provides a degree of diversity to the labor market, offering readily obtainable jobs for young, less educated individuals.

Nationally, the BLS forecasts a 13% increase in hospitality employment through 2010, while the New Mexico Department of Labor predicts Santa Fe will see a 5% increase in food service employment and a 15% increase in lodging employment.

SIC 70 - Hotels and Lodging Places

source: Occupational Employment Statistics, Bureau of Labor Statistics 2001

Occupation	Employment Estimate		Wage Estimate	
	US Employment	% of Total	Mean Hourly	Mean Annual
TOTAL	1,772,980	100.0%	\$10.22	\$21,250
Building and Maintenance	509,040	28.7%	\$8.36	\$17,380
Food Preparation and Serving	474,920	26.8%	\$9.04	\$18,800
Maids and Housekeeping Cleaners	395,500	22.3%	\$7.86	\$16,350
Office and Administrative Support	298,560	16.8%	\$9.87	\$20,530
Hotel, Motel, and Resort Desk Clerks	167,210	9.4%	\$8.45	\$17,580
Waiters and Waitresses	138,010	7.8%	\$7.74	\$16,100
Personal Care and Service	134,790	7.6%	\$9.78	\$20,340
Management	89,780	5.1%	\$23.54	\$48,960
Installation, Maintenance, and Repair	71,070	4.0%	\$12.51	\$26,010
Maintenance and Repair Workers, General	58,370	3.3%	\$11.60	\$24,120
Sales and Related	54,730	3.1%	\$11.19	\$23,270
Cooks, Restaurant	53,160	3.0%	\$10.83	\$22,520
Janitors and Cleaners	51,580	2.9%	\$9.14	\$19,000
Dining Room and Cafeteria Attendants	43,960	2.5%	\$8.05	\$16,750
Gaming Dealers	40,130	2.3%	\$6.96	\$14,480
Dishwashers	39,160	2.2%	\$8.28	\$17,220
Bartenders	38,560	2.2%	\$8.88	\$18,460
Food Servers, Nonrestaurant	37,590	2.1%	\$8.18	\$17,020
Production Occupations	36,430	2.1%	\$9.19	\$19,120



Target #6: Publishing & New Media

The publishing and new media industry is comprised of newspaper / magazine / book publishers, writers, and photographers in addition to all aspects of Internet publishing such as web developers and content editors. Printing, bookbinding, and related manufacturing-type activities are not included in this target.

The publishing industry has seen better days, as industry revenues were flat between 2000 and 2001 at \$233 billion, but many sectors within the industry are booming. Book publishing revenues have grown from \$22 billion in 1998 to \$26 billion in 2001. Similarly, magazine publishing revenue has grown from \$35 billion to \$39 billion. Online publishing is the fastest growing industry sub market with revenues and employment nearly tripling to \$29 billion between 1998 and 2001. Not only were many web only “e-zines” such as Salon.com and Slate rapidly expanding but print publication were redeveloping their website to compete. Publishing has changed significantly in the last decade and now the industry is more geographically dispersed than ever. With the advent of electronic publishing, publishers can now operate from anywhere.

Publishing and New Media

Cluster Definition

- 51112 Magazine Publishing
- 51113 Book Publishing
- 514 Information Services
- 514191 On-line Information Services

Industry Profile

- \$230 billion in revenues
- 1.4 million employed - US

Wage Rates

- \$17 an hour in the US

Location Criteria

- Artistic community
- High Quality of Life
- Community/Content Similarities

Why Santa Fe?

Santa Fe has an established publishing cluster to build upon, giving the city a distinct advantage over many area rivals. For example, *Outside*, *Mothering*, *Cowboys and Indians* and many others are all published in the city. Santa Fe also benefits from an established brand and identity that is increasingly strong across many aspects of potential publishing arenas, such as the arts, southwestern culture, food, conservation, and architecture. An expanding software cluster will allow for a well-trained workforce that can transition to publishing.



Workforce

Industry wages are above average to high and most companies require specific skill sets and seek degreed workers. Individuals with graphic design skills (Associate's degrees or training courses) have career opportunities within this industry. Many of Santa Fe's colleges and civic organizations offer training and educational programs for workers in the publishing field.

SIC 27 - Printing, Publishing, and Allied Industries

source: Occupational Employment Statistics, Bureau of Labor Statistics 2001

Occupation	Employment Estimate		Wage Estimate	
	US Employment	% of Total	Mean Hourly	Mean Annual
TOTAL	1,435,450	100.00%	\$17.34	\$36,070
Management occupations	94,510	6.58%	\$37.18	\$77,340
Photographers	7,370	0.51%	\$16.62	\$34,570
Writers and Authors	11,750	0.82%	\$18.95	\$39,420
Editors	65,490	4.56%	\$21.43	\$44,570
Financial Occupations	34,800	2.42%	\$23.51	\$48,910
Sales and Related Occupations	141,760	9.88%	\$16.41	\$41,890
Office and Administrative Support	316,450	22.05%	\$12.69	\$29,060
Maintenance, and Repair Occupations	18,860	1.31%	\$17.72	\$38,140
Production Occupations	467,420	32.56%	\$13.56	\$30,860
General and Operations Managers	29,930	2.09%	\$39.84	\$82,870
Bookkeeping, Accounting	23,750	1.65%	\$13.66	\$28,420
Customer Service Representatives	48,160	3.36%	\$14.59	\$30,340
Office Clerks, General	31,050	2.16%	\$11.93	\$24,810
Advertising Sales Agents	50,610	3.53%	\$18.59	\$38,680

According to the Bureau of Labor Statistics, publishing occupations are expected to grow by 9% to 18% through 2010. New media developers and multi-media artists will be the fastest growing segments; again, software engineers in any industry will be the quickest growing career option in the country.



Target #7: Outdoor Gear and Apparel

Outdoor gear and apparel includes specialty design and light manufacturing related to outdoor activities. Equipment for backpacking, rock climbing, biking, running, and the many other sub markets of this industry are all included in this industry.

Outdoor equipment is one the fastest growing sectors of the retail market. From 1990 to 2002, industry revenues grew 84% to \$23 billion. The industry is fiercely independent, and while chains have dominated the traditional retail industry for some time now, independent shops still sell roughly 25% of outdoor gear. Independent shops are also growing faster than the chains with revenue rising 14% versus 3% at chain stores.

That same independent streak is also prevalent in the design and manufacturing of outdoor equipment. During a time when the majority of manufactured products are built overseas, many of this industry's most successful firms still have production operations in the U.S. The industry has its roots in the American West and many of the largest outdoor firms still operate there. Towns like Boulder, Jackson Hole, Boise, and Billings all claim large outdoor products clusters.

Why Santa Fe?

The outdoor industry is very brand-oriented, and Santa Fe fits the image the industry strives to attain. Santa Fe also offers a creative, active, and artistic workforce that fits well with the industry's workforce. Santa Fe's mild climate, countless recreational opportunities, and the opportunity for year round product "testing" will all make the city desirable to the industry.

Outdoor Gear and Apparel

Cluster Definition

- 339920 Sporting and Athletic Goods
- 336991 Bicycle and Parts Manufacturing
- 315999 Apparel Accessories
- 454111 Electronic Shopping

Industry Profile

- \$23 billion in revenues
- 200k employed - US

Wage Rates

- \$12 an hour in the US

Location Criteria

- Artistic community
- High Quality of Life
- Recreational Ammenitiesl

Workforce

AngelouEconomics is not recommending that Santa Fe target heavy manufacturers, but many of the smaller firms within this industry will have light production in house. The industry pays low to average wages. (Those figures are likely skewed lower due to the preponderance of low paying textile jobs.)

Selected Outdoor Gear and Apparel Occupations

source: Occupational Employment Statistics, Bureau of Labor Statistics 2001

Occupation	Employment Estimate		Wage Estimate	
	US Employment	% of Total	Mean Hourly	Mean Annual
Textile Cutting Machine Operators	37,250	\$9.31	\$9.92	\$20,630
Fabric and Apparel Patternmakers	12,580	\$11.99	\$14.63	\$30,440
Team Assemblers	1,189,840	\$10.70	\$11.66	\$24,250
Drilling and Boring Machine Setters	58,060	\$12.82	\$13.64	\$28,360
Extruding Machine Setters,	102,320	\$12.10	\$12.44	\$25,870
Management Occupations	7,212,360	\$30.88	\$34.04	\$70,800
Fashion Designers	8,890	\$23.81	\$27.09	\$56,340
Sales and Related Occupations	13,418,240	\$9.63	\$13.91	\$28,920

Secondary Target Industries

Health services

Traditional

- Doctor and dentist practices
- Assisted living
- Hospitals

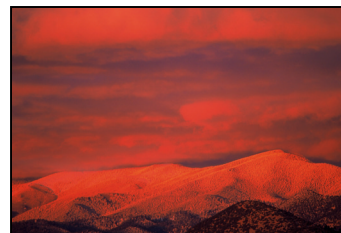
Non Traditional

- Specialty cosmetic enhancements
- Spa related services
- Alternative health care
- \$1.3 trillion industry, employs 11 million nationwide
- 25% job growth forecasted through 2010.
- Above average pay, \$16 an hour, and training



Retiree Services

- Professional services / Financial Services
- \$1.4 trillion industry revenues, 17 million employed
- Above average wages, \$16 an hour, training
- Forecasted growth of 18% through 2010
- Construction and architecture
- Health care
- Recreation
- Travel



Food and Beverage

- Packaging / Marketing of local food products
- Branding local products with "Santa Fe"
- Link with tourism and agriculture industry
- Organic foods link with SF's healthy lifestyle
- Opportunity for many skill sets
- Business opportunities for ethnic populations
- Can be entrepreneurial / small scale packaging

